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EMPLOYMENT PROBLEMS AND HOW THE JOHN B. STETSON COMPANY MEETS THEM

By MILTON D. GEHRIS,

Paymaster.

We have all had some experience with employment problems and we know that it is easier to secure employes than it is to hold them. Only a small percentage of men seem to appreciate steady work and there are so many contributing causes that are factors in making employment unsteady. Working conditions, rate of wages, disposition of foremen, personal ambition of employes and a hundred other influences are all vital factors in this ceaseless shifting of employment.

Mr. Stetson was always very intensely interested in his employes and tried to keep in personal touch with his men. When the place was small he could call every man and boy by name and he would go through the shop and speak a word of appreciation when their work warranted recognition, or he would tell them where they might improve. He always contended that a married man was a better workman, as a rule, than a single man and to this end commended those who married and established homes. He interested himself so far as to give a dollar to every baby born to an employe. As the organization grew, nearly all the experiments he tried, to hold his people, grew from an opportunity to be helpful. The opportunity came as a need and he took advantage of the need.

The fact that Mr. Stetson encouraged marriage and the establishment of homes led to the organization of the John B. Stetson building and loan association thirty-six years ago. His plan was to allot five or ten shares of stock to worthy employes, he paying the dues as long as the employe remained in his employ. The employe was allowed to use these shares to borrow on them to purchase a home. In this way men could buy almost as cheap as they could rent. Over four hundred have acquired homes in this manner. The company today has 750 employes who have been allotted building and loan stock and 3,974 shares are paid for by the company for the benefit of its employes. Almost as many as

the above have become individual stockholders and invest their savings in this way.

About the same time that the building and loan association was started Mr. Stetson organized a Sunday School for the employes and the people of the neighborhood of the factory. He set aside a room for this purpose and the work has grown and prospered until today the company conducts the John B. Stetson Mission Sunday School, a strictly non-sectarian school with an average attendance of about nine hundred weekly. In connection with the Sunday School there is conducted a great social work looking after the moral and spiritual uplift of the community. Organizations caring for the poor, work among the boys and girls, associations for the promotion of athletic sports and many other helpful influences are all a part of this social work.

A noonday religious service is conducted every Tuesday from 12:30 to 1 o'clock. Prominent ministers or laymen of the city address these gatherings and the employes are free to attend or go to their work as they prefer.

The saving fund grew from a Christmas club started by a few of the office employes. When Christmas came they decided they did not want the money thus saved and asked the treasurer of the company to invest it for them. This fund now has deposits of over a hundred thousand dollars on which the company allows them 5 per cent interest. While this is a losing proposition to the company it fosters saving and is encouraged in every possible way.

Life insurance is used as a means to tie a number of the older employes and make their interests a part of the organization. The company pays the premium and the families are the beneficiaries.

The most definite plan to hold the people was started in 1897. The plans mentioned heretofore were applicable only to week workers and did not affect the piece workers of whom we have quite an army and who were hard to hold. In 1897 only 35 per cent of our hat sizers worked steadily during the entire year. They were a roving class working in one shop for a while and then going to another shop. Mr. Stetson offered a bonus of 5 per cent on all the sizers earned during the fiscal year, if they remained in the employ of the company from Christmas to Christmas, the bonus to be paid them at the Christmas exercises the day before Christmas. The

result was 50 per cent of the men working steadily during the entire year. The next year the bonus was made 10 per cent and 67 per cent of the men remained the entire year. In 1901 the bonus was raised to 15 per cent and 88 per cent of the men remained. In 1903 the bonus rate was made 20 per cent and since that time practically 100 per cent of the men work the entire year.

The plan proved so helpful with the sizers that it was applied also to the hat trimmers where it had the same effect of making them more regular in their employment. The girls of the soft hat trimming department now receive 10 per cent bonus and the girls of the stiff hat trimming department 20 per cent. Four years ago a 5 per cent bonus was granted to all expert workmen and this last year that bonus was extended to every employe of the factory who worked steadily the entire year, with the exception of the clerical help and the janitors who were given a cash amount. The bonus period ends the thirty-first day of October, but the bonus is not paid until the day before Christmas. If an employe leaves any time between the end of the fiscal year and Christmas he forfeits his bonus. If he leaves after Christmas he again forfeits what has accumulated from the first of November on to the time of leaving.

Several years ago we had a number of union men working for us and as there was demand for union labor in union shops they were ordered to leave us and report for work in union shops. They protested on account of their bonus and were allowed to stay until after they received their year's bonus at Christmas time. Nearly all these men have returned since, but not as union men. They saw to it that they would not again be in that same position where they could be ordered away and thus forfeit their bonus.

You may ask what the men do with their bonus money. A number of them are buying homes and pay the amount they receive into the building and loan association on account. Some put the money into the saving fund. We have found very few cases where the money was wasted. The men have established homes and take pride in furnishing same and living in more comfort and refinement.

The Stetson beneficial association grew from a demand to be helpful to the employes during sickness and at time of death. Every employe must belong to the association. They pay 25 cents

a month dues and the original plan was to pay three or four 25-cent assessments yearly for death benefits. This entitles the employe to \$5 per week benefits for five weeks after the first week of sickness, and to one hundred dollars death benefits. We find that from eight to nine 25-cent assessments are sufficient to pay for both sick and death benefits now. This shows that the sanitary systems introduced into the factory, the filtered water supply, the wholesome lunch arrangements and the general care for the health of the people has been the means of reducing the sick rate at least $33\frac{1}{3}$ per cent.

The Stetson hospital was founded through the visits of a specialist who treated Mr. Stetson. Being a busy man, he had a specialist come to the office to treat him for catarrh. He found a number of the employes suffering with the same malady and decided to set aside a corner in the office where the men could be treated. This was the beginning, the Stetson hospital is the result.

Thirteen years ago the company increased its capital stock and the board of directors set aside 5,000 shares of stock (par value \$100) to be used by the president to reward faithful employes and to make them co-partners in the business. A number of these shares have been allotted to worthy employes in lots varying from 3 to 50 shares. The stock does not cost the employe one penny. It is paid for from the dividends accumulating and while it is being paid for the employe may draw 5 per cent dividend yearly. After it is full paid the employe receives the dividend in full which is 25 per cent at this time, but he does not receive possession of the stock for a period of fifteen years. The stock is held in trust for the employe and by an agreement whereby, if he leaves or is discharged for cause, he forfeits the stock and receives only the amount of par value paid in. If an employe dies or is incapacitated so he cannot work, then the stock is transferred to him or his estate. After the fifteen years of trusteeship are over the stock becomes the employe's property absolutely. The stock forfeited reverts back to the trustees to be reissued to some other employe. This plan has done much to hold the people. Since the market value of the stock is about \$400 and par only \$100 the men feel they have too much at stake to throw away all that equity and they become part and partner in the concern. Up to the present time 796 employes

have been allotted stock. What has this meant? The following figures show very clearly what it has meant to us:

MEN EMPLOYED BY US	
20 years and over	324
15 years and not 20	230
10 years and not 15	663
7 years and not 10	857
5 years and not 7	854
3 years and not 5	607
2 years and not 3	462
1 year and not 2	262
Total	4,259

It must be remembered that while we now employ about 4,400 people twenty years ago we only employed about 600 and more than half of these are still in our employ.

Three years ago we added the physical examination feature. Every applicant, before he is given employment, must undergo a physical examination. We give the applicant a card to a doctor at the Stetson hospital. The doctor examines the applicant and sends his report to the employment department. If the result of the examination is favorable, the applicant is sent for and given work, if not favorable the report is filed and the applicant does not hear anything further about it. The doctor's report for the year ending October 31, 1915, shows the following result:—Three hundred and eleven applicants were examined, of whom 78 were rejected. Seventy had defective vision of whom 22 were corrected by glasses. Of the numbers rejected, 4 were in the advanced stages of consumption, 10 in the incipient stages of consumption, 21 had a family history that was extremely bad and would have made them bad risks, 5 were rejected for deformity, 3 for blood pressure, 1 for syphilis, and 12 for lice. One of the surprising features of the examination is brought out by the number of applicants who are lousy.

Our beneficial report for the year shows that of a total of 4,400 employes only 520 applied for benefits and 85 per cent of these were away for only two weeks; 45 had the grippe, 56 bronchitis, 61 rheumatism, 16 gastritis and 4 typhoid fever. The company uses every effort and spares no expense to conserve the

health of the employes and with the bonus plan and the employes as stockholders we are like a big family with interests that are mutual. If the employes have any grievance they can feel free to talk with their foreman or the management at any time and are welcome to do so. Differences and difficulties, if any arise, are always settled in this way.

THE ESTABLISHMENT OF PERMANENT CONTACTS WITH THE SOURCES OF LABOR SUPPLY

BY JOHN S. KEIR,

Department of Industry, University of Pennsylvania.

A well-known scientist is reported to have faced a certain problem, and after looking over the field to have simply said, "Gosh." When one approaches a study of the organization of the sources of labor supply one feels very much the same way.

The scientific consideration of the human element in the carrying on of big business is a practically new departure. But it has come to be recognized that, all other elements aside, excessive hiring and firing is an economic loss, a loss in which both the employer and the employe are vitally affected.

It is recognized that when we speak in the language of the dollar sign, we speak a tongue that is common to all.

One of the first factors entering into the cutting down of labor turnover, is the securing of proper employes. In many plants functionalized employment departments have been established to "handle" each employe to the mutual benefit of the man and of the firm: they examine each applicant; they determine his particular fitness for one position or another; and, after the man has been hired, they keep in touch with his work through data furnished by foremen and other sources. Other plants, in place of a department, simply appoint a man who is responsible for hiring such men as, in his judgment, will prove valuable to the organization. These employment officials go under a host of titles and are really little more than employment clerks.